EAST CENTRAL VERMONT TELECOMMUNICATIONS DISTRICT

FINANCE AND AUDIT COMMITTEE

Statutory Basis and Structure

Pursuant to Title 30, Chapter 82 Section 3071 of the Vermont Statutes and Section 18 of its Bylaws, the Governing Board of the East Central Vermont Telecommunications District created a Finance and Audit Committee on June 14, 2016, the function of which is to oversee the financial affairs and condition of the District, and, with the Treasurer, to make periodic reports thereof to the Governing Board and to cognizant regulatory authorities.

Members of the Finance and Audit Committee shall consist of the District Chair, Vice-Chair, Treasurer, Assistant Treasurer, Secretary and such additional members as may be nominated by the District chair, in consultation with the chair of the Committee, subject to approval by the Executive Committee. The term of each member shall be in effect until termination or resignation. The District chair shall nominate the Chair of the committee, subject to the approval by the Executive Committee. The Committee is authorized to appoint other officers among the members at its discretion. Non-officer Executive Committee members shall be ex-officio members of the committee. As provided by statute, Committee members need not be members of the Governing Board but shall be residents of the District.

Role of the Committee

The role of the Finance and Audit Committee is primarily to provide financial oversight on behalf of the District's Governing Board. Task areas include budgeting and financial planning, financial reporting, bonding recommendations, and the creation and monitoring of internal controls and accountability policies.

Budgeting and Financial Planning

- Coordinate with the DBO partner to develop the annual budget that this committee shall recommend to the Governing Board.
- Review and monitor adherence to the budget.
- Review and monitor adherence to grant compliance.
- Review long-range financial goals along with funding strategies to achieve them.
- Review multi-year operating budgets that integrate strategic plan objectives and initiatives.
- Participate in the presentation of all financial goals and proposals to the Governing Board.
- Review debt affordability studies and analyses.

Reporting

- Participate in the development of useful and readable reports and their presentation to the Governing Board.
- Create, approve, support and update as may be necessary, policies that help to ensure that the assets and operations of the District are protected.

- Ensure policies and procedures for financial transactions are documented and ensure that approved financial policies and procedures are being followed.
- Monitor the Treasurer's interface with the District's trustees and paying agents

Internal Controls and Accountability Policies

The Committee shall participate in developing policies that further serve to protect the District and its assets, and to manage its exposure to risk, including, but not limited to:

- Long-term contracts and/or leases
- Loans or lines of credit
- Capital expenditures and financing
- Insurance
- Purchasing of other services that benefit the District

Meet with Independent Accountants

The Finance Committee is also responsible for functioning as, or establishing an Audit Subcommittee, that shall:

- Engage an auditor for the District through an open process.
- Meet with the auditors and ascertain that the scope of their work satisfies the needs of the District.
- Review and discuss the results of the audit, the draft audit report, and management recommendations letter from the auditor.
- Ensure that any audit issues are resolved.
- Present the audit to the Governing Board and distribute as required.

Bonding

The Finance and Audit Committee shall make recommendations to the Governing Board for incurring indebtedness.

Approved by the Governing Board on September 14, 2021

ATTEST:

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Clerk

East Central Vermont Telecommunications District

APPROVED: 07-14-17

AMENDED: 09-10-21